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C O N F I D E N T I A L MANAGUA 000669

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DEPT FOR WHA/CEN

E.O. 12958: DECL: 03/06/2017  
TAGS: KDEM PGOV PREL PINR  
SUBJECT: THE FIRST 60 DAYS - ORTEGA PRESSURES MEDIA

REF: A. MANAGUA 241  
    1B. MANAGUA 466  
    1C. MANAGUA 585

Classified By: Ambassador P. Trivelli for reason 1.4b

11. (C) SUMMARY: President Ortega's attitude and actions towards the mainstream media in the first 60 days of his administration have raised doubts about his commitment to freedom of expression. Sounding more like an attack plan than a government communications strategy, First Lady Rosario Murillo's Communication Strategy labels the mainstream media as "hostile" and warns that it will "mount a misinformation campaign" against the Sandinistas that must be "confronted." Her strategy reveals her intention to use only Sandinista-friendly media to ensure her messages are "published in an uncontaminated and direct manner." In one of her first public moves as Coordinator of the Counsel for Communications and Citizenry, Murillo centralized control of all ministry media budgets and announced spending will be reduced by 50 percent as an "austerity measure." Ortega's mounting verbal attacks and maneuvers against the media all suggest he is executing Murillo's plan. Ortega's promise to dedicate 20 percent of each Sandinista National Liberation Front (FSLN) deputy's discretionary social program budget to support journalists has further divided the National Journalist's Association via debate over the ethics of such a move. Journalists fear that Ortega's recent hostility towards the media may harden anti-press attitudes and trigger more direct threats or violence, and recent criminal code reforms contain vague language about penalizing "unauthorized" use of "private" information. On the bright side, Ortega's aggression towards the media may be helping to unify the liberal opposition forces who are keenly aware of the potential danger posed by restricting freedom of the press. END SUMMARY.

Murillo's Media Strategy - Message Branding & Control

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12. (SBU) Shortly after the January 10 inauguration, the Ortega administration introduced a revised national seal (escudo) -- designed by the First Lady -- and mandated that all official government correspondence and communication, including government projects and job announcements published in the daily periodicals, use this new seal. Based on the triangular form of the official seal, the added campaign slogans and pastel pink and blue colors gave the revised seal the unmistakable stamp of the FSLN. Political opposition leaders immediately condemned, and eventually blocked, official use of the seal as unconstitutional, but many viewed it as a harbinger of things to come. Within days of taking office, Ortega was already attempting to blur the lines

between party and State, essentially "re-branding" the State as the FSLN. Many government entities are continuing to use the Murillo seal despite the legislative ban, but the government appears to be taking care to use the official national seal on documents that involve legal or official matters that could be challenged in the courts.

¶13. (SBU) On February 1, Murillo, the Coordinator of the newly formed Counsel of Communication and Citizenry, circulated, strictly for internal use only, a copy of her Communication Strategy to other members of the Counsel (septel). In the rambling seventeen-page document, eerily reminiscent of Ortega's presidential campaign strategy of Peace and Reconciliation, Murillo labels the larger media organizations as "rightist" and "hostile" to the Sandinistas and emphasizes the need to control national and international public perceptions by controlling published images and messages. Murillo states that "there will be strong opposition to our project from the media of the right" and that "they will mount a misinformation campaign against it" which the Sandinistas must "predict in order to successfully confront." To control the government's messages, Murillo writes that "we will use our media so that our messages are published in an uncontaminated and direct manner, as we did during the campaign."

¶14. (SBU) The leaked strategy elicited consternation and criticism from main stream media organizations such as Channel 2 TV, La Prensa newspaper, and even the left-leaning El Nuevo Diario newspaper, all who fear that Murillo's direct references to "our media" and the "hostile right" betray an underlying media prejudice that could polarize the media environment. Following the leak, Murillo publicly stated that the media's right is to obtain information related to the government's activities, but warned that the government's right is to see the "truth respected and the truth published" and that the media "must correct its mistakes."

¶15. (C) COMMENT: From the tone and wording in Murillo's Communications Strategy, there seems to be little doubt that she regards the established mainstream media as a threat to Ortega that should be controlled. Ortega and Murillo's actions leading up to, and following, the internal release of the Strategy would indicate that it is being implemented. This cable attempts to identify and outline what we believe are some of the Strategy's implementation mechanisms during the first 60 days of the Ortega administration. END COMMENT.

Phase I - Exclude the Opposition Media

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¶16. (C) During Ortega's campaign - managed by Murillo - media access was tightly controlled, and FSLN-affiliated media were granted preferential access to Ortega. Right-leaning media, such as La Prensa and Channel 2, were often excluded or had to rely on Sandinista journalists for information or instructions. Since Ortega took office in early January, these journalists have repeatedly complained to Public Affairs officers that they are being excluded from official information and events, and that potential government sources are specifically being instructed not to talk to them. Embassy press officers have directly witnessed Murillo using Sandinista-affiliated media as interlocutors with other media at events and employing Sandinista news outlets as "official press" for the administration, especially before the inauguration and during the first few weeks of the new administration.

¶17. (U) In an open letter from La Prensa to President Ortega published on March 2, highlighting the newspaper's growing concern about Ortega's attitude towards the media, La Prensa points out that Ortega signed the 2001 Declaration of Chapultepec which prohibits restrictions to freedom of the press. Chapter five of the agreement states "Censoring in advance, restrictions on the circulation of the media or their divulging of information, the arbitrary imposition of information, the creation of obstacles to the free-flow of information, and limitations to the free exercising and

mobility of the press are in direct opposition to the freedom of the press."

Phase Two - Control the Purse Strings

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¶8. (U) At the behest of Murillo, on January 29, Treasury Minister Alberto Guevara, circulated a confidential memo to all ministers, vice ministers and the presidents of the autonomous State agencies stating that Murillo's Counsel of Communication would henceforth coordinate and authorize all government publicity expenditures and travel, totaling just over 90 million Cordoba (US\$ 5 million). (NOTE: Nearly all private media derive some percentage of their revenue from government-paid advertisements such as job announcements, calls for proposals, etc. END NOTE.) Murillo, angry that the memo was leaked, justified the decision as part of a government "austerity program" that would re-direct up to fifty percent of the publicity budget to schools, medicine, hospitals, low income housing and other programs to benefit the poor. She emphasized that only necessary campaigns -- such as those in environment and health -- would be financed.

¶9. (U) Following the announcement, Ortega indirectly lashed out at La Prensa and Channel 2 by claiming that "eighty percent of the state's advertising budget is concentrated in the two big media (companies)." In a more measured tone, Murillo indicated that she intended to "break the habit of financing the big communication media" which "respond to another vision of our country that does not benefit the majority" in favor of "communication from the people to the people" as articulated in Murillo's Communication Strategy.

¶10. (U) Murillo's memo evoked an immediate reaction from both left and right-leaning independent press, who fear that Ortega and Murillo will use the budget as a tool to control the media. In response to Ortega's "eighty percent" claim, La Prensa, in its Open Letter of March 2, declared that it received just 13 percent of the state's publicity budget in 2006. Senior La Prensa and El Nuevo Diario managers publicly stated that their papers will not be seriously hurt by the potential cut-back, but stressed that smaller independent print and radio media, which are more dependent on government-sponsored advertising revenue, will be significantly affected.

¶11. (SBU) The reaction by opposition forces in the National Assembly was equally strong. Deputies and legal experts claim that Murillo's move violates Law 290, Law 438, and Article 130 of the Constitution. According to Law 290, counsels created by the Executive cannot handle finances and cannot make decisions which belong to the ministries (ref. A). Article 11 of Law 438, the law of probity, states that the spouse of a public servant -- in this case the President -- is not eligible to exercise public functions (Ref. C). Article 130 of the Constitution establishes that no one within the State powers can name functionaries who have close relationship to them. Thus far, however, the National Assembly's protests and legislative maneuverings seem to have had little affect on the First Family.

¶12. (C) Despite the direct impact on their public communications budgets and independence, the ministers have voiced little to no public opposition to the plan. In private, National Assembly opposition leaders, including representatives from UNE and Noguera -- who was seen as a moderate with independent ideas -- as Minister of the Family after only 21 days may serve as an example for other ministers contemplating ministerial independence.

Phase Three - Damage the Media's Public Image

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¶13. (U) On February 20, during the closing ceremonies of a meeting with 615 members of the National Police, Ortega launched phase three of his attack on the media by implying that the media is robbing money from the State through tax

exonerations. Ortega labeled the media as "fat" and "getting fatter" and scoffed that the media are "enriching themselves doing business, not charity or cultural work." Ortega very shrewdly linked his argument to public security by claiming that such exemptions take money from State coffers that would have otherwise been spent buying gas for the police. Several times during his speech, Ortega called on the media to listen to their "consciences" and their "hearts" and to pay their taxes.

**¶14.** (U) Since delivering his exoneration speech, Ortega has continued and broadened his attacks. On February 22, Ortega directly criticized La Prensa for running a cartoon in reference to Ortega's appointment of Cardenal Miguel Obando as coordinator of the Counsel of Peace and Reconciliation, calling it "disrespectful" and "a dirty campaign." On February 27, while announcing that he would ask the National Assembly to cancel exonerations for the media, banks, and social organizations, Ortega again singled out the media for attack -- especially La Prensa and Channel 2 -- when he asked how "in a country so small and with so much poverty" could "the two largest media receive US\$ 22 million in exonerations in 2006?"

**¶15.** (C) The media have attempted to counter Ortega's claims by publishing exoneration facts and figures and highlighting the legal precedent for exonerations. In 2004, the most recent year for which official figures are available, the media sector accounted for only 1.6 percent of the State's total exonerations. In clear contrast to Ortega's claim that La Prensa and Channel 2 received US\$ 22 million in exonerations in 2006, budget experts estimated that total exonerations for the media sector ranged from 40-50 million Cordoba (US\$ 2.2-2.7 million). Both Article 68 of Nicaragua's Constitution and point 7 of the 2001 Declaration of Chapultepec, signed by Ortega, allow for the tax-free importation of certain materials used in print production such as ink, newsprint, machinery, and parts. Using this legal basis, opposition leaders in the National Assembly have sharply criticized Ortega's demands to cancel the media's exoneration rights. (NOTE: Ortega's argument, while dramatically over-stated, has a valid basis. Media contacts have privately admitted to public affairs staff that all the major media do import "extra" supplies for their for-profit printing businesses. END NOTE).

**¶16.** (C) COMMENT: As with Ortega's earlier claim that the two largest media received 80 percent of the government's advertising revenue, his exoneration claim is completely unfounded. Ortega is attempting to polarize public opinion against Channel 2 and La Prensa -- the "belligerent right" referred to in Murillo's Communications Strategy -- by painting them as heartless, greedy businesses willing to sacrifice public safety and to keep Nicaragua poor in order to make a dollar. It is unclear at this point if the media's counter-strategy of publishing objective facts and figures and explaining the legal basis for exoneration will defuse Ortega's attempt to rally public opinion against them. The media is concerned that the public may view their counter-protests as the complaints of spoiled children being told "no" for the first time. A review of over fifty reader comments on the recent articles related to Murillo's strategy document and the exoneration issue show roughly the same proportion of support for the Ortega/Murillo position as Ortega received in the presidential elections, indicating that his loyal Sandinista base is listening. END COMMENT.

Phase Four - Blur Lines Between Criminal and Journalist Activities

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**¶17.** (U) With the publicity budget and exoneration issues still under heated discussion, Ortega has thrown an additional log on the fire - Penal Code reform. Two articles of the proposed new code - Articles 194 and 197 -- have evoked strong reactions from ALN deputies in the National Assembly, the media, and human rights organizations, citing

concerns over freedom of expression. Article 194 establishes prison sentences of six months to two years for anyone intercepting, divulging, or distributing any communication deemed "private by judicial authorities." Further, the article would penalize those who distribute or reveal "important information" with sentences of one to three years in prison. Article 197 says that persons who find themselves in legitimate possession of private written or recorded communications would face 70-100 days in prison if they published such materials without authorization. However, the article stipulates that this penalty would not apply to "matters in the public interest."

¶18. (SBU) FSLN and Liberal Constitutional Party (PLC) deputies claimed that these two articles are part of the current Criminal Code and that journalistic sources would not be affected "as long as they don't pass information of a private character." Further, these deputies insisted that the interception of telephone calls, telegraphs, or other forms of communication "have nothing to do with the activities of the media." They also stated the belief that these articles would help curb the Nicaraguan press' proclivity for "red news" -- showing victims of violent accidents and crimes on television -- by requiring journalists to obtain permission from victims' families before publishing photographs or video. (COMMENT: In this sense, the Nicaraguan media is its own worst enemy. Because professional standards are low and there is a lot of overly-sensational and, at times, completely inaccurate reporting, the media has handed Ortega ammunition to use against it. END COMMENT).

¶19. (U) Despite such assurances, ALN deputies, media organizations, and civil society groups have expressed serious doubts about the reforms, stating that a law based on subjective or arbitrary determination of the private or public nature of information leaves the door wide open to corruption and political manipulation. As such, there would be no guarantees of freedom of expression.

Phase Five - Divide and Conquer

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¶20. (U) In the wake of the financial uncertainty created by Murillo's centralization of government publicity budgets and Ortega's goal to cancel exonerations, Ortega signed an accord on March 1, Nicaraguan National Media Day, with the Nicaraguan Journalists Association (CPN) promising upwards of 3 million Cordoba (US\$ 177,000) to journalists. Under the 12-point accord, each of the 38 Sandinista deputies would dedicate 20 percent of their 420,000 Cordoba (US\$ 23,333) budget for scholarships and social programs to a fund for journalists administered through the CPN. Because the CPN is comprised of two distinct journalist associations, however, the announcement of the accord triggered conflicting reactions.

¶21. (SBU) BACKGROUND NOTE: About 70 percent of CPN's members are from the Nicaraguan Journalists Union (UPN) and 30 percent from the Association of Nicaraguan Journalists (APN). APN is generally associated with the political right. While both the APN and UPN include journalists from all walks, many more employees of the large media organizations such as Channel 2 TV and La Prensa are APN-affiliated. APN journalists tend to be better trained and have higher professional standards. UPN is generally associated with the political left and includes a myriad of smaller news organizations which have historically been more flexible in the application of professional ethics. END NOTE.

¶22. (U) The APN journalists have criticized the accord on several grounds. First, they see it as an attempt to legitimize the probably illegal appointment of Murillo as Coordinator of the Counsel for Communication and Citizenry by honoring her as a signatory to the document. Second, because the funds would come exclusively from the FSLN deputies, they believe there is a serious risk to journalistic objectivity. Third, journalists could lose credibility with the public if

they were perceived or proven to be beholden to one political party. In contrast, the UPN -- the majority voice in the CPN -- supports the accord because it could offset the potential revenue loss caused by the consolidation and reduction of ministry publicity budgets.

**¶23. (C) COMMENT:** As witnessed in the political campaign, the Sandinistas' ability to keep the ALN and PLC divided was devastating to the Liberals. With the CPN accord, Ortega may be attempting to divide the media to the same effect.

Although the media has traditionally been sharply divided along political lines, this move is perhaps the most dangerous because it could change the nature of the division from political/ideological to personal if journalists in favor of the accord see those opposed to it as threatening their livelihood. This perception could fuel further polarization among the media and erode professional standards as the market becomes more cut-throat. A media so divided would be much easier to manipulate to both misinform and distract attention from key issues that require vigorous public debate and scrutiny. Unfortunately, according to public affairs officers, there appears to be little appetite among media organizations to unify and work together despite clearly understanding the danger of remaining divided. END COMMENT.

#### Emboldening the Masses

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**¶24. (U) According to media reports and public affairs contacts, since the start of Ortega's verbal attacks on the media, journalists have reported growing hostility and an increase in the number of personal threats. There is concern that Ortega's overt verbal attacks on the media are perceived as tacit approval to carry out individual acts of violence and threats against journalists. During the last week of February, Jaime Arellano from Channel 10 reported receiving death threats and discovered the lugnuts on his car had been loosened after making some hard-hitting comments against President Ortega, while journalist Moises Absalon from Channel 23 also reported loosened lugnuts. Continued hostility towards mainstream media could also discourage advertisers from placing ads for fear of tarnishing their own images in the public eye, further hurting the mainstream media companies.**

**¶25. (C) COMMENT:** By demonizing the mainstream media -- linking "greed" to public safety problems and the country's poverty -- while promising to deliver "uncontaminated and direct" messages to the people, Ortega and Murillo may be attempting to foment public resentment towards and rejection of the mainstream media. This focus could serve to both "soften up" the public, making it more receptive to Ortega's message, and create self-censorship among mainstream journalists worried about reprisals. Further, attacking the media could fuel public perceptions that "controls" or "limits" on "irresponsible" media should be allowed. END COMMENT.

#### Silver Lining - Opposition Unifying in National Assembly

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**¶26. (SBU)** Through his use of a broad spectrum of measures to attack and potentially weaken the press, Ortega is providing opposition forces ample opportunity to unify. Murillo's appointment as coordinator of the Counsel for Communication and Citizenry was roundly condemned by opposition members in the National Assembly who view her appointment as illegal. Although the ALN, MRS, and PLC caucuses are not unanimous in their disapproval of Ortega's tactics, all are cognizant of the potential danger posed by restricting press freedom. The ALN and MRS have been in lock-step in opposing each step taken against the media with the exception of the accord signed between Ortega and the CPN, which MRS deputy Victor Hugo Tinoco characterized as having "positive value" while ALN deputies were sharply critical. On the exoneration issue, PLC deputy Wilfredo Navarro and others joined the MRS and ALN in supporting exoneration for the media and

questioning Ortega's intentions. There is a growing realization among deputies that the National Assembly is the "Front Line" against Ortega (Ref B).

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